



## A Warning to Investors: Don't Fall for These 3 Statements on April Fool's Day

### Description

It's April Fool's Day today, so be sure to watch out for pranksters.

Unfortunately, judging by their comments, some people seem to think that every day is April Fool's Day. Investors should be careful before believing their statements, because they can be very costly if we fall for them.

So, to honour this day, we take a look at the top three statements that could trick investors.

#### 1. Oil will bounce right back

As oil prices remain stuck below US\$50, many people are saying this is just a temporary setback.

A couple of examples are worth mentioning. One comes from **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) CFO Alister Cowan. While speaking at a conference in late January, he said that oil will go back to \$90-100 "probably in three years or four years' time." The statement was made while defending the company's Fort Hills oil sands project, one that needs high oil prices to justify its big upfront costs.

Also in late January, OPEC's Secretary General Abdalla El-Badri suggested that US\$200 oil is possible. He pointed out that producers are cutting back on drilling, something that could eventually catch up with the industry.

Those statements should have been made today. Producers are very nimble, and will drill as long as they can. So, even if prices move towards US\$60, we should have plenty of supply to meet demand for a long time. Until then, we have to worry about increased supply from Iran, and storage levels are running out in the United States. Don't fall for these statements, even if they weren't meant to be April Fool's gags.

#### 2. BlackBerry will reach US\$500 million in software revenue this year

You have to hand it to **BlackBerry Ltd.** ([TSX:BB](#))(NASDAQ:BBRY) CEO John Chen for putting the company on solid footing. He's also set a very ambitious goal for BlackBerry: US\$500 million in

software-related revenue for this fiscal year.

This now seems like a long shot. It would require the company to surge into a market leadership position, despite being less well established than its top competitors. There have been reports that BlackBerry is gaining little traction with enterprise customers. Its software revenue has already fallen short of short-term targets.

Mr. Chen still said he believes in the goal, but I have my doubts. BlackBerry may still be a solid investment, but don't be fooled by this overambitious target.

### 3. Anything to do with Bombardier's CSeries

**Bombardier Inc.** ([TSX:BBD.B](#)) has made a few misleading statements in recent years, most of them regarding the CSeries. The plane's entry-into-service date has been pushed back a bunch of times, as has the project's cost. Its order numbers are falling below expectations. Bombardier also said it had enough liquidity back in January, then raised more funds about a month ago.

Now, Bombardier says the plane will be certified by the end of this year, and will enter into service in early 2016. I would imagine we'll see more adjustments in the coming months, and not the kind that investors like.

So, on April Fool's Day especially, watch out for statements like the ones above. They can cost you money not only today, but every day of the year.

#### CATEGORY

1. Investing

#### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BB (BlackBerry)
4. TSX:BBD.B (Bombardier)
5. TSX:SU (Suncor Energy Inc.)

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